

PROJECT TO STRENGTHEN BANK SUPERVISION

(TC-98-02-44-9)

EXECUTIVE SUMMARY

Beneficiaries: Guatemalan consumers of financial services and the Superintendency of Banks (SB).

Executing agency: The Superintendency of Banks

Objectives and components: The general objective of the Project is to improve the solvency, efficiency and transparency of the Guatemalan banking system. The specific objective is to strengthen the Superintendency of Banks so that it will be able to implement and enforce the new law.

The project has two components. The first component is to draft the regulations that are required by the new banking legislation. The second is to upgrade the inspection and accounting manuals, and the information systems in order to enable the SB to supervise all of the entities in a financial system on a consolidated basis.

Financial terms and conditions:	Modality:	Non-reimbursable (Facility I)
	MIF	US\$ 1,000,000 (62%)
	Local	US\$ 600,000 (38%)
	TOTAL	US\$ 1,600,000

Special contractual conditions: The first disbursement of the Project funds will be made following the delivery of an acceptable work plan, setting out the tasks contained in the Logical Framework analysis along with estimates of the time required for each task.

The Bank may recognize counterpart costs incurred by the Beneficiary prior to the approval of the project in an amount not to exceed the equivalent of US\$161,000. (see paragraph 5.2.)

Exceptions to Bank policy: None

Environmental/social impact: The Committee on Environment and Social Impact (CESI) reviewed and approved the proposed Project at its meeting on November, 2001 (TRG 42-01). The Project is not expected to have social or environmental impacts.